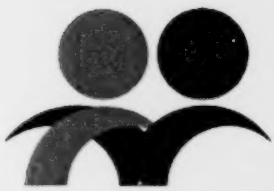
2006 – 2007
ANNUAL REPORT



Public Trustee
of Manitoba

His Honour the Honourable John Harvard
Lieutenant-Governor of Manitoba
Room 235 Legislative Building
Winnipeg MB R3C 0V8

May it Please Your Honour:

I have the privilege of presenting for the information of your honour the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2007.

Respectfully submitted,

Honourable Dave Chomiak
Minister of Justice
Attorney General

The Honourable Dave Chomiak
Minister of Justice
Attorney General
Room 104 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

I submit for your approval the Annual Report of The Public Trustee Special Operating Agency for the fiscal year ending March 31, 2007.

The results of the 2006/2007 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of The Public Trustee and encouraged by the ongoing commitment of its employees.

Respectfully submitted,

Ron Perozzo, Q.C.
Deputy Minister of Justice
Deputy Attorney General

Public Trustee of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

Ron Perozzo, Q.C.
Deputy Minister of Justice and
Deputy Attorney General
110 Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Sir:

In accordance with the provisions of Section 19 of *The Public Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of The Public Trustee for the fiscal year ending March 31, 2007.

Yours truly,

Joanna K. Knowlton
Public Trustee

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PROFILE OF THE PUBLIC TRUSTEE

The Public Trustee (PT) provides services for a fee to the people of Manitoba in accordance with its statutory mandate and existing policies. The PT operates with a high level of accounting, legal and professional expertise, which is necessary for the management of approximately 5,425 clients, estates and trusts. Assets under administration are currently valued at approximately $185 million.

THE MISSION OF THE PT IS:

TO PROTECT THE INTERESTS OF MANITOBANS BY PROVIDING PROFESSIONAL AND COST-EFFECTIVE TRUSTEE SERVICES OF LAST RESORT THAT MEET THE NEEDS OF ITS CLIENTS

THE PRINCIPLES BY WHICH WE OPERATE TO ACHIEVE OUR MISSION ARE:

- Our service is client focused;
- Our service is cost effective; and
- Services that must be provided by statutory mandate are provided and if fees cannot be charged, the costs are covered by the revenue earned in other areas of our operation.

STATUTORY MANDATE

The PT is statutorily mandated to provide the following services to Manitobans:

a) Acts as Committee for mentally incompetent persons under *The Mental Health Act*;
b) Acts as Substitute Decision-Maker for adults living with a mental disability under *The Vulnerable Persons Living With a Mental Disability Act*;
c) Gives or refuses consent to psychiatric treatment for mentally incompetent patients who cannot give or refuse consent themselves, and who have no other proxy or relative able to consent;
d) Acts as Official Administrator for the province;
e) Acts as Official Guardian for the province;
f) Acts as litigation guardian for children and mentally incompetent persons who have no one else competent to represent their interests;
g) Administers trust funds for children, and for adults with mental disabilities;
h) Reviews all infant (children's) settlements; and
i) Reviews all applications for private committeeship.

OTHER SERVICES

The PT has the discretion to accept Powers of Attorney from mentally competent Manitobans who have estates of $250,000.00 or less, and who require assistance administering their financial affairs.

THE PUBLIC TRUSTEE ADVISORY BOARD

The PT provides a business plan and quarterly reports to its Advisory Board. The Board was established by The Public Trustee Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Deputy Minister. The Board meets quarterly to provide advice to The PT on its direction, the annual business plan and its financial reporting requirements.

CHAIR	Ron Perozzo, Q.C. Deputy Minister of Justice and Deputy Attorney General	
MEMBERS	Joanna K. Knowlton Public Trustee	ex officio
	Richard Sohor Chief Financial Officer Public Trustee	ex officio
	Doreen Kelly General Counsel The College of Physicians & Surgeons of Manitoba	Private Sector Representative
	John Elcomb Regional Senior Manager CIBC Trust	Private Sector Representative
	Marcia Thomson Assistant Deputy Minister Healthy Living Department of Health	Client Representative
	Grant Doak Assistant Deputy Minister Services for Persons with Disabilities, Employment and Income Assistance Department of Family Services & Housing	Client Representative
	Brian Stephenson Inspector Public Trustee	Employee Representative

THE PUBLIC TRUSTEE

CREATION OF THE PUBLIC TRUSTEE

The Public Trustee is a corporation sole. It was created by the enactment of *The Public Trustee Act* on February 1, 1973. The PT has a corporate seal and perpetual succession and functions separately from government. It is capable of suing or being sued on behalf of its clients, or the trusts and estates which it administers. *The Public Trustee Act* requires that the Auditor General audit the books and accounts of The PT. As well, the Act requires that an annual report be filed including an audited balance sheet and an audited statement of receipts and expenditures for the fiscal year. Since its inception, The PT has charged fees for its services in order to meet its salary and operating expenditures.

The current Public Trustee is Joanna K. Knowlton who was appointed by Order in Council effective July 3, 2007.

SPECIAL OPERATING AGENCY STATUS

Effective April 1, 1996 The PT commenced operation as a Special Operating Agency (SOA). Prior to this conversion, The PT had been operating on a full cost recovery (revenue) basis. The advantages of SOA status have assisted The PT to increase its services. These advantages include:

- The flexibility to hire staff as required to provide service levels appropriate to the fees charged;
- The ability to carry forward surpluses to subsequent years; and
- The ability to plan on a long-term basis.

The increased management authority and more rigorous planning and reporting requirements afforded by Special Operating Agency status have assisted The PT in increasing the quality of services to its clients.

The PT remains a branch within the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational performance. The PT is accountable to Treasury Board for its financial performance. The PT operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to The PT's assets, provides financing for operations and is responsible for The PT's liabilities. Accountability is supported by The PT's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies and by *The Special Operating Agencies Financing Authority Act.*

THE PUBLIC TRUSTEE - ORGANIZATION

The PT's staff are assigned in 6 distinct sections:

Administration:

This section is responsible for the administration of the entire program. It is composed of:

- The Public Trustee
- Internal Auditor
- Systems Analyst
- Administrative Assistant - .5

Client Administration:

This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults. The Winnipeg office is composed of:

- Deputy Public Trustee
- Senior Client Administration Officer - 2
- Client Administration Officers - 12
- Administrative Assistants - 12.5
- Deceased Estates Clerk
- Clerk - .35

The Brandon office is composed of:

- Client Administration Officer
- Administrative Assistant
- Clerk - .28

Estates and Trusts Administration:

This section administers deceased estates, and adult and children's trusts. This section is composed of:

- Manager, Estates and Trusts
- Estates Officers - 5
- Administrative Assistants - 3
- Trust Administration Clerk

Financial Administration:

This section manages the financial administration services for all clients, estates and trusts, the Common Fund, and the revenues and operating budget of the office.

This section is composed of:

- Chief Financial Officer
- Senior Accountant
- Accountant
- Investment Officer
- Senior Systems Analyst
- Senior Application Developer
- Accounting Staff - 15.5

Legal:

This section has several mandates including:

1. Providing the necessary legal representation for clients, estates, and trusts;
2. Ensuring the protection of rights and assets;
3. Fulfilling statutory duties as required and providing advice to the Court as required; and
4. Providing advice to The Public Trustee.

This section is composed of:

- Senior Counsel
- Legal Counsel - 2
- Administrative Assistants - 2

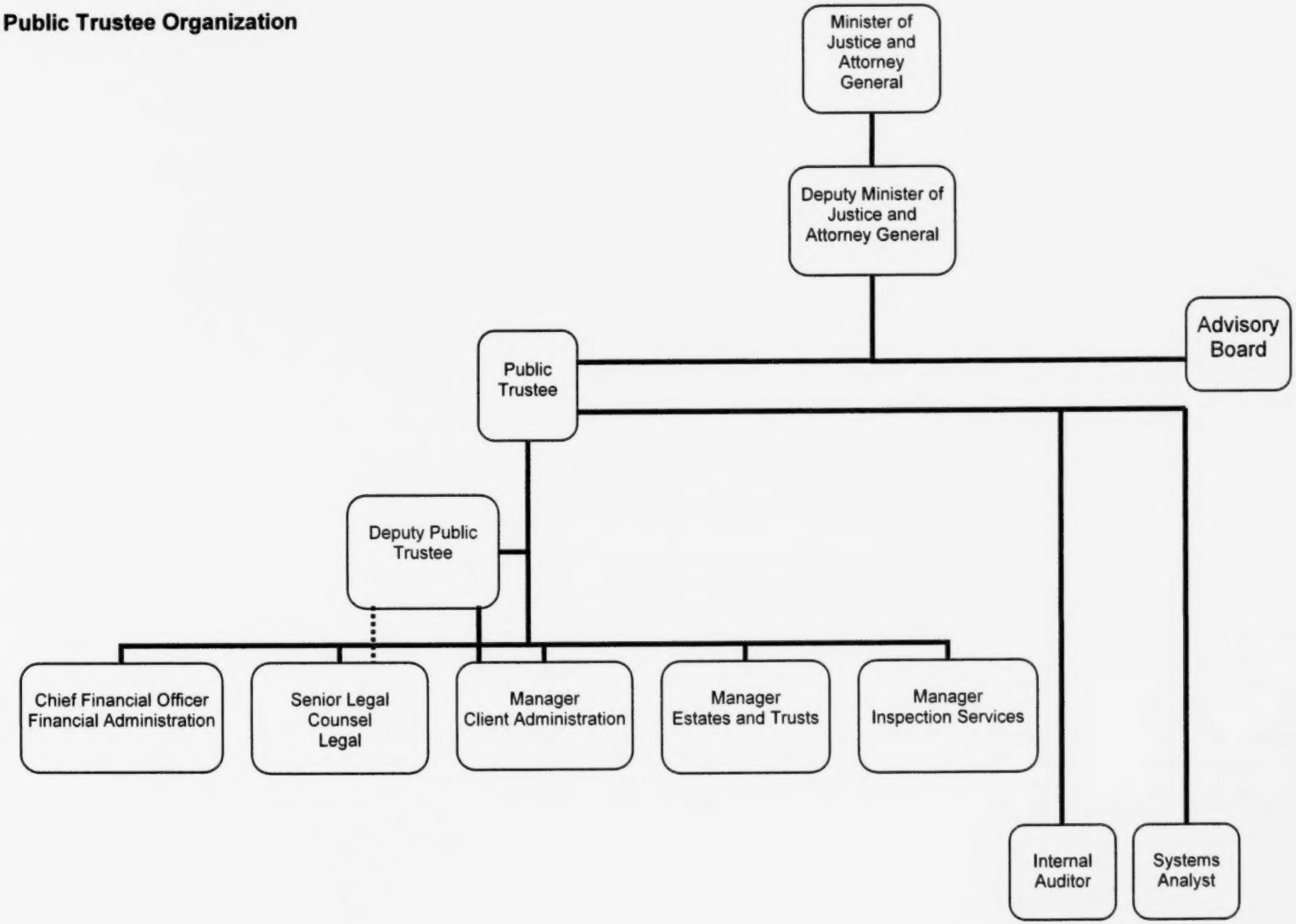
Inspection Services:

This section provides all field services for clients, estates and trusts. The section is composed of:

- Manager, Inspection Services
- Inspectors - 3
- Chattel Clerk

Each of the section Managers are part of the management team and all report to The PT. As well, the Internal Auditor and the Systems Analyst report to The PT.

The Public Trustee Organization



BUSINESS PLAN GOALS

Each year in the Business Plan, The PT identifies long and short-term business goals. The long-term goals are global and ongoing and do not require specific reporting. The short-term goals are specific and they change every year. A report on those goals follows below.

LONG-TERM BUSINESS GOALS

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:

    - Administering the estates, and where required making personal decisions, on behalf of people who are not mentally capable of doing so;
    - Administering the estates of people who have granted a Power of Attorney to The PT;
    - Adn inistering the estates of people who have died in Manitoba with no one else capable or willing to act as administrator;
    - Administering trust monies on behalf of people who are under 18 years of age and administering testamentary and inter vivos trusts;
    - Supporting all of these functions with legal, financial and accounting expertise;
    - Fulfilling additional roles pursuant to legislation or as ordered by the Court.

2. To enhance the level of service provided to the clients, estates and trusts administered by the office.

3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in our service and support areas.

4. To improve communication with all individuals and agencies with whom we have contact, and with the general public.

5. To approach recovery of the allocated costs of operations.

SHORT-TERM BUSINESS GOALS

1. **To continue regular education seminars throughout the province regarding services offered by The PT's Client Administration Department.**

   In fulfillment of this commitment, four seminars were held. The first quarterly seminar on the topic of Financial Abuse was held in Brandon on June 16, 2006, with 65 people in attendance.

   The second and third seminars on the topic of Determination of Competency were held in Winnipeg on November 7, 2006 and January 17, 2007. These seminars were presented in co-operation with The Winnipeg Regional Health Authority. There were a total of 228 attendees at both seminars.

   The fourth seminar on the topic of Financial Abuse was held in Russell on March 16, 2007 and 49 people attended.

   The PT utilized its seminar effectiveness evaluation programs with a view to collating information received at its seminars. Please see page 21 for this Public Education Effectiveness Assessment.

2. **To deliver education seminars regarding services offered by the Agency's Estates and Trusts Department.**

   One of our legal counsel presented information concerning our Estates and Trusts Department to staff of Manitoba Public Insurance and during Law Day at the Law Courts Building. In addition, counsel revised and updated comprehensive will and estate planning information, which included information about services offered by The PT. This information was distributed in conjunction with *Will Week* in April 2007. The materials were distributed to approximately 1,163 participants in *Will Week* events.

   The PT continues to co-operate with the Seniors and Healthy Aging Secretariat to update and reprint, as necessary, a booklet called A Legal Information Guide for Seniors. This booklet outlines will and estate planning information as well as The PT's Estates and Trusts services.

3. **To enhance client service by continuing a shopping service for clients who require specialized services.**

   During 2004/2005, The PT operated a pilot project whereby an existing staff member purchased goods and services for clients in developmental centres who were unable to purchase items on their own. This pilot project was a success, and the project was continued in 2005/2006.

   During 2006/2007 staff at St. Amant Centre, one of the two developmental centres, indicated that they wished to take on the shopping project for their residents, and did not require The PT's shopping services any longer.

   The other developmental centre, Manitoba Developmental Centre, assisted in the purchase of goods and services for its residents. The PT's shopping services were not required for residents there during the year.

   As a result, The PT will provide shopping services as required, but anticipates that the need for such services will be significantly reduced in the future. Staff will continue to monitor clients' needs to ensure they receive the full benefit of their resources.

4. **To implement a financial education program for children prior to the receipt of trust payouts.**

   During 2005/2006, a Children's Trust Education Program was developed. This program included 6 educational pamphlets and a video, all of which are now available on The PT's Website.

   The program was implemented in the second quarter to educate children with trusts about basic financial management.

   Prior to reaching their 18th birthdays, children are sent an informational package and invited to participate in the program by reviewing the brochures, completing an enclosed quiz, watching the video, and/or arranging a meeting with the Investment Officer for The PT. These meetings serve as a review of the program and provide the children with an opportunity to discuss questions or concerns they may have about their trust funds and money management. The program has been well received and from the time of implementation in September 2006 to the end of the year, 6 meetings took place with children.

5. **To deliver special education seminars to seniors throughout the province in co-operation with Manitoba Seniors and Healthy Living Secretariat.**

   This project was handled by one Client Administration Officer, working in conjunction with representatives of The Manitoba Seniors and Healthy Living Secretariat. During the year, 13 public presentations were made to audiences primarily made up of seniors. Six of the presentations took place in Winnipeg, with the balance in rural communities such as St. Laurent, Thompson, Stonewall, Headingley, Carman, Lac du Bonnet and Whitemouth. A total of 396 people attended the presentations on topics such as planning for the future, financial and elder abuse, powers of attorney and health care directives and the role of The PT.

6. **To develop a succession planning strategy for key positions.**

   In fulfillment of this goal, a report was prepared which outlines job tasks for critical functions within the office that are not set out in the Policy and Procedure Manual.

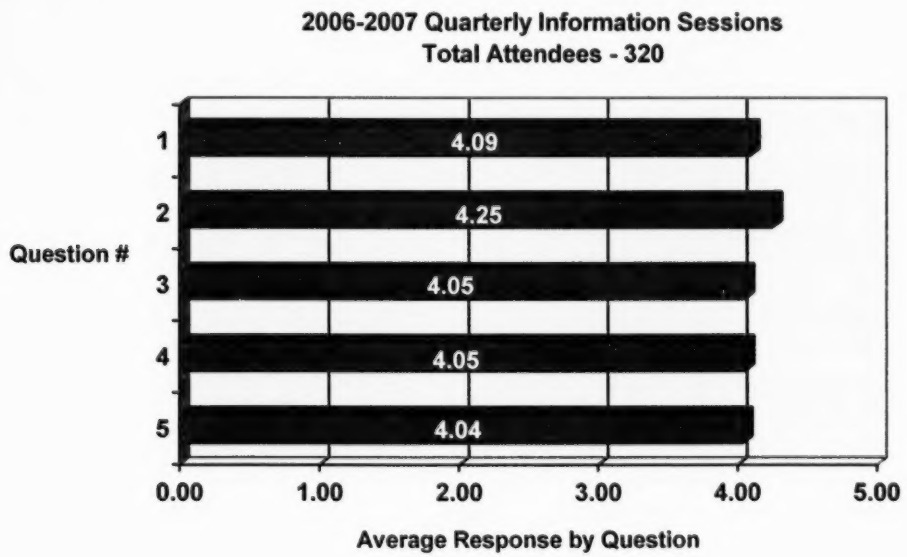
   The job tasks for many of the positions, including those in Client Administration and Inspection are adequately set out in the manual. The report contains a compilation of the critical tasks for the balance of the positions and is available for staff training, succession planning, potential reclassifications or any other related purposes.

PUBLIC EDUCATION EFFECTIVENESS ASSESSMENT

As indicated earlier in this report, four public education seminars were held during the year. Participants in the seminars were asked to evaluate the presentation. The data from the questionnaires was analyzed to provide an objective assessment of the seminars. This analysis is used to fine tune or otherwise adjust the quality and frequency of the seminars.

The participants were asked to rate various aspects of the seminars, including the quality of the presentations, materials and locations. The participants were asked to use ratings from 1 to 5, with 1 showing the lowest level of satisfaction, and 5 showing the highest level. A summary of the average rating for each seminar is as follows:

Date	Location	Number of Respondents	Average Seminar Rating out of 5
June 16, 2006	Brandon	55 of 65 attendees	4.28
Nov. 7, 2006	Winnipeg	75 of 105 attendees	4.02
Jan. 17, 2007	Winnipeg	77 of 101 attendees	3.78
Mar. 16, 2007	Russell	47 of 49 attendees	4.48
Total		**254 of 320 attendees 79%**	**4.09**



Questions:

1. I received the information I needed on the topic of the seminar
2. The information was provided clearly and in an understandable manner
3. There was sufficient opportunity for me to ask questions
4. My questions were answered clearly and to my satisfaction
5. The format of the informational session met my needs

DEPARTMENTAL ACCOMPLISHMENTS:

Client Administration Accomplishments 2006/2007

1. Speaking Engagements

In addition to the quarterly education seminars, smaller presentations continue to be made at the request of agencies, service groups, various government departments and the general public. Presentations were provided to the following:

Powers of Attorney, Health Care Directives and Wills - Tools for Planning:	
Charleswood Seniors Centre - Winnipeg	27 attendees
Headingley Community Centre - Headingley	36 attendees
Crescentwood Community Club - Winnipeg	13 attendees
Women's Advisory Council – Winnipeg	48 attendees
Pioneers Seniors Club – Lac du Bonnet, MB	36 attendees
Financial Abuse & Seniors – Carman Active Living Centre	28 attendees
Financial Abuse – Fred Douglas Lodge	30 attendees
Role of The Public Trustee:	
Gwen Secter Creative Living Centre	16 attendees
Grace General Hospital	15 attendees
Seven Oaks Hospital	29 attendees
Good Neighbours Senior Centre - Winnipeg	8 attendees
Managing Affairs for Others – POA and Living Wills, Burntwood RHA	46 attendees
Elder Abuse Awareness and the Role of The Public Trustee:	
South Interlake Seniors Resource Centre - Stonewall, MB	69 attendees
Tech Voc High School – Career Fair – unknown number of attendees	
Misericordia Health Centre	40 attendees
Assiniboine RHA//Brandon RHA - Community Mental Health Workers	40 attendees
World Elder Abuse Day Panel – Brandon	100 attendees
Brandon RHA Respiratory Services	25 attendees
Parklands RHA Community Mental – Health Workers Dauphin	16 attendees
Regional Tribal Counsel/Independent – First Nations and Community Care Coordinators	35 attendees
Seniors Services Coordinators – Conference Brandon	40 attendees
South Eastman RHA – Community Mental Health Workers Steinbach	25 attendees
Elder Abuse: "It's Everybody's Business" Panel Presentation – Total of all 4 sessions	140 attendees
Misericordia Health Centre – Social Workers Conference	80 attendees
MB First Nations and Inuit Home and Community Care Conference	10 attendees
MB Bar Association – Elder Law/Wills and Estates Subsection	50 attendees
Grace Hospital Staff	50 attendees
Alzheimer Society Conference	40 attendees
WRHA PACT Team	15 attendees

2. Client Administration Employee Handbook

During the year, a Client Administration Employee Handbook was developed to assist new and existing staff. The handbook contains important policies and general policies of the office, and reference to important policies and procedures in the Policy and Procedure Manual. It will be an essential training tool for new staff, and a valuable reference for existing staff. It has also been distributed to key personnel in other departments of the office for reference.

Estates & Trusts Accomplishments 2006/2007

1. File Reviews

The Manager, Estates & Trusts met with each Estates Officer on a monthly basis to discuss progress on one third of each Estates Officer's files. This ensured adherence to service standards, policies and directives.

2. Inter-Departmental Training Program

The Estates and Trust Department has developed a Power Point Presentation which was designed to educate new employees about its administration of deceased estates and trusts.

Financial Administration Accomplishments 2006/2007

1. Expected Receipts

All components of the Expected Receipt system were completed and implemented in 2006/2007. This system was developed to track client revenues to ensure that the clients receive the correct amounts and has been continuously improved over the last three years.

2. Record of Client Abuse Allegations

System enhancements were implemented to record and track the details of alleged client abuse and the outcome of investigations into the allegations.

3. Technology Changes

All document and form templates were converted to the new PT Logo and Arial font. This has enhanced all documents and helped make correspondence easier to read.

4. Desktop Issues

An upgrade to the PT's desktop monitors was completed during the year. A project to convert to environmentally friendly two-sided printing commenced in 2006/2007.

5. Client Information Data

VPA client information data screens were reworked and enhanced. The new screens formats are to be rolled out to other client types in the New Year. These changes will improve the functionality of the system.

Inspection Services Accomplishments 2006/2007

1. Inspection Services Educational Package – Power Point Presentation

During 2005/2006 a Power Point educational package was prepared about the services provided by Inspection Services. This presentation was provided three times during the year, and will form part of the overall training and education program for new staff in the future.

2. Cross-Training

In an effort to provide cross-training opportunities to staff, several staff from other areas of the office participated in searches and inventories of clients' homes with Inspection Staff. This was a successful program, and will be continued.

Legal Accomplishments 2006/2007

1. Public Education

One of our counsel sat on the committee for Will Week. Will Week conducts a series of public seminars on Wills, Powers of Attorney, and Health Care Directives. Counsel was involved in the preparation of materials for the public lectures which took place in both Winnipeg and rural areas. As well, counsel participated in several seminars discussing the issues relating to Will Week.

Counsel was also involved in a seminar with Manitoba Public Insurance in order to raise awareness with MPI of issues relating to Powers of Attorney, Health Care Directives, Committeeship, and the appointment of Substitute Decision Makers. Counsel also participated in a seminar for seniors. Each year, The Public Trustee operates an information booth at Law Day in which our counsel participates.

Counsel also presented a Law Society Continuing Legal Education Seminar on the appointment of litigation guardians for parties under disability. Counsel has also spoken at high schools on the topic of wills and has participated in a high school mentorship program.

STAFF TRAINING

Selected staff participated in varied training throughout the year including:

Human Rights in the Workplace	1 employee
Manitoba Law Society – How to Use Manitoba Online's Land Title Service: A Training Session for Support Staff	1 employee
Will Week – Estate Planning for Your Future	20 employees
Dialogue on Aging Symposium	3 employees
Approach to Writing	1 employee
Information Security Awareness – Manitoba Government	71 employees
Excel Training – Level 2	3 employees
The Plain Language Approach to Writing	1 employee
Continuing Legal Education Seminars • Madame Justice Holly Beard, Court of Queen's Bench and Odette Power • Accommodation of Disabilities in the Workplace: Protect Yourself, Your Office and Your Clients	1 employee
5th International Public Trustee & Public Guardian Conference London, United Kingdom	1 employee
Team Building Day – Fort Whyte Centre	32 employees
Non Violent Crisis Intervention – Instructor Seminar	10 employees
Hearing Voices that are Distressing: A Simulated Experience of Hearing Voices	13 employees
Writing with P.O.W.E.R. (WR1010)	2 employees
St. Amant Conference- Autism	1 employee
Outlook - Level 2	13 employees
Negotiating and Influencing Skills: Dealing with Interpersonal Conflict	1 employee
Career Planning	1 employee

STAFF TRAINING continued

First Aid/CPR Certification	4 employees
Presentation Skills	1 employee
Effective Delegations	1 employee
Determination of Competence	6 employees
Customer Service Workshop	1 employee
Ryan Gateway Insurance Brokers	75 employees
Communication Skills for Managers	1 employee
Writing and Editing Skills – Level 1	1 employee
Developing Emotional Intelligence	1 employee
Differing Work Styles	1 employee
Aboriginal People – Building Stronger Relationships	1 employee
Children's Education Trust Presentation	16 employees
Alzheimer's Conference	2 employees
Office of the Auditor General: Accounting for Financial Instruments	3 employees
Motivating and Recognizing Employees	1 employee
Harm Reduction	1 employee

INTERNAL AUDITOR AUDIT REPORT HIGHLIGHTS

Compliance Audits

Internal Audit conducted compliance audits of 159 files. This represents 50% of the 321 files opened in the Client Administration Department between April 3, 2006 and March 30, 2007 (that had remained open on March 30, 2007). These audits have the following functions:

1. They assess whether all procedures are followed and internal controls are adequate; and
2. They identify and mitigate financial and reporting risks.

Internal Audit reported all findings to the Deputy Public Trustee.

Operational Audits

1. Audit of Blue Cross Submission Process

Internal Audit prepared an audit of the current Blue Cross submission process. The audit revealed a high level of accuracy and compliance on the part of Blue Cross. In future, 10% of medical files will be reviewed to assure management that a representative sampling has been tested.

2. Audit of Residential Charge Billings

In June of 2006, all residential charge billings for April 2006 were reviewed to ensure:

1. Accuracy of monthly residential charge rate;
2. Timely payment; and
3. That billings did not carry a balance forward (either debit or credit).

Internal Audit reported all findings to the Client Administration Officers and Financial Administration personnel. The findings verified that the invoices were paid on a timely basis and any balance forwards were investigated and handled. It was recommended that the Financial Administration Department establish a regular review of invoices on a quarterly or semi-annual basis.

3. Audits of Transactions

Internal Audit conducted audits of transactions of clients:

1. With low cash balances;
2. Receiving Employment & Income Assistance (EIA), but carrying balances in excess of $2,000; and
3. Receiving EIA top-up and living in Selkirk Mental Health Centre.

These areas were previously identified as areas of financial risk for the client, and therefore, Internal Audit conducts extensive audits. Incidents outlined in 1 and 2 have decreased significantly over the years and it was determined that semi-annual reviews were sufficient.

4. Income Tax Returns

In October of 2006, approximately 60 tax files for the 2005 calendar year were reviewed by two experienced tax practitioners of Magnus & Buffie, Chartered Accountants. Their approach was to review the file preparation process, identify file issues, determine how the issue was resolved, and perform a 'mechanical' review of the returns.

The review revealed no data entry errors. 28% of the files were not checked or were checked by the preparer. 7% of the files had an incorrectly calculated management fee, and 15% of the files had 'other issues'. The purpose of this review was to ensure proper filing of income tax returns. All review issues were reported to the Chief Financial Officer and the Senior Accountant, and were addressed in 2007.

5. Audit of Real Estate Values

In March of 2007, a review of real estate values was conducted to ensure property is recorded at its appraised value. A total of 59 files were reviewed. The audit revealed that 20% of the files were either not properly insured and/or the values were incorrectly recorded. The audit ensured that the client's real estate was properly insured, proper values recorded, and procedures were being followed.

PUBLICATIONS

The PT has a number of publications available to individuals who come in contact with the office. They are:

1. **The Committeeship Guidebook (Bilingual)**

   This booklet provides general guidance to private committees on their duties and responsibilities. It also provides examples of the required accounting as well as opening and closing inventories.

2. **The PT Fee Brochure (Bilingual)**

   This brochure details the fees charged for the services provided by The PT.

3. **The Powers of Attorney Pamphlet (Bilingual)**

   This pamphlet outlines The PT's services regarding powers of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.

4. **Operation of Client Administration Section (Bilingual)**

   This pamphlet provides details on how the officers will manage the personal and financial affairs of clients. It is presented in a question-and-answer format.

5. **Enduring Powers of Attorney Guidebook (Bilingual)**

   This is a detailed guidebook outlining the responsibilities and duties of an attorney together with a sample accounting. This guidebook is available free of charge through organizations such as the Seniors and Healthy Aging Secretariat, Elder Abuse Resource Centre, Age and Opportunity.

6. **Deceased Estates (Bilingual)**

   This is a detailed pamphlet in a question-and-answer format which outlines standard information regarding The PT's services in administering deceased estates.

7. **Children's Trusts (Bilingual)**

   This is a detailed pamphlet in a question and answer format which outlines standard information regarding The PT's services in administering children's trusts.

8. Legal Guide for Seniors (Bilingual)

The PT co-operated with the Seniors and Healthy Aging Secretariat in the reprinting of a booklet providing estate planning information for seniors. In effect, this booklet is valuable for all age groups in the adult population.

9. Children's Trusts Education Program (Bilingual)

The content of this program includes a video entitled "Trust" used as an educational tool for young adults who are beneficial recipients of trust payouts. In addition, we have six pamphlets and one quiz on the subjects:

1. Banking 101;
2. Budgeting;
3. Costs of Living;
4. Credit & Credit Cards;
5. Goal Setting;
6. Investment Options; and
7. Quiz: How are you with Money?

PERFORMANCE FRAMEWORK

CLIENT ADMINISTRATION

1. Objective

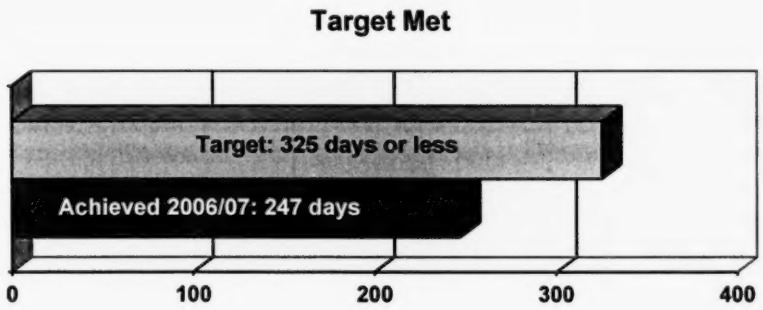
Estates of former clients will be paid out to the Executor or Administrator in a timely manner.

When a client dies, The PT retains authority over the estate of the client until the estate is paid out to an Executor or Administrator. During this period of time, the estate is managed by a Deceased Estates Clerk.

It must be noted that this performance measure is affected in most cases by third party actions which The PT cannot control. However, we do believe that a general performance target can be set for this activity, which is reflective of active due diligence by The PT. We do not expect the performance targets to vary greatly in ensuing years.

Performance Target

To close deceased client files at a rate each year which reflects an average of 325 days or less.



2. Objective

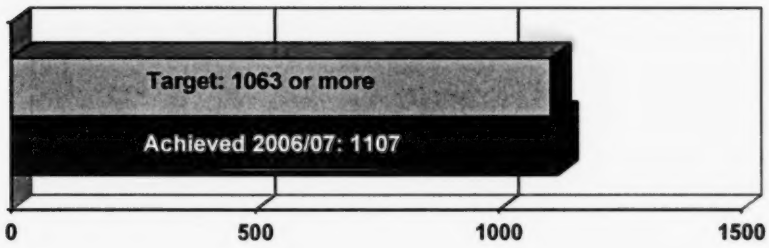
To ensure that information regarding The PT's programs and services is disseminated appropriately through the community.

The PT's programs and services are critical to a certain segment of society's functioning. Its programs and services are not widely understood by the general public and we realize that even stakeholders and service providers in the field need constant education about The PT's programming and such topics as financial abuse, services for vulnerable adults, etc.

Performance Target

To increase the number of persons who are educated with respect to The PT by 10% over those educated in 2004/2005 (967 persons). Therefore the target for 2006/2007 was to educate 1,063 persons.

Target Met



CLIENT ADMINISTRATION continued

3. Objective

To ensure that we maintain contact with our clients and service providers in the community, personal care homes, developmental centres, and mental health centres.

Baseline Established

During 2005/2006 and 2006/2007 baseline information was collected in this matter. Targets were established for the minimum number of visits each Client Administration Officer was to make to clients in the community, in personal care homes, developmental centres and mental health centres.

In 2005/2006, a minimum of 424 visits was required. All but two of fifteen officers met or exceeded their minimums. Counting only the minimum number of visits each officer made, 419 visits or 98.9% of the minimum visits required were made. In 2006/2007, a minimum of 491 visits was required. All but one of fifteen officers met or exceeded their minimums. 481 or 97.96% of the minimum number of visits were met.

In both years, the failure to meet the minimum number of visits was due to vacancies in the positions for prolonged periods of time.

With this baseline information, a reasonable performance target may be set for the future.

ESTATES AND TRUSTS ADMINISTRATION

1. Objective

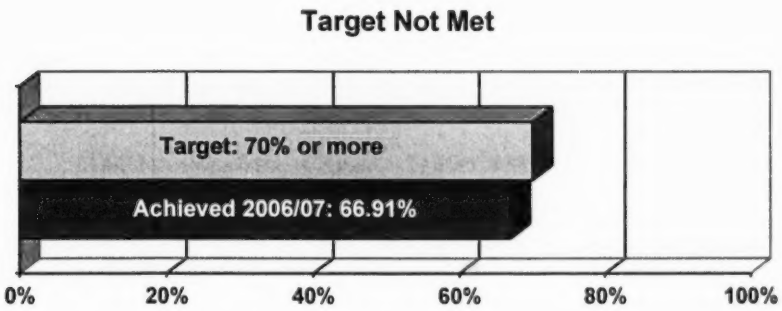
Children's trusts will be paid out in a timely fashion upon children achieving the age of majority.

The PT seeks to payout children's trusts as soon as possible after a child achieves the age of majority. These children and/or their families can slow the process by failing to respond to requests to sign releases, and/or to respond to correspondence in a timely fashion.

Performance Target

To payout 70% of children's trusts within 21 days of the child achieving the age of majority.

The PT paid out 136 children's trusts in 2006/2007. The service level was not met in 45 cases or 33%. This was due, in most cases, to proper documentation not being received from children or their families in a timely manner. In addition, some children took longer to review the material provided under the Children's Trust Education Program prior to payment. In all cases, once the proper documentation was received, payout was made within 5 business days.



2. Objective

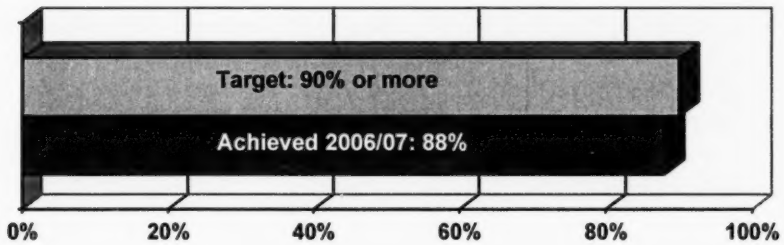
Decisions regarding disbursements from trusts will be made in a timely manner.

Performance Target

That 90% of decisions regarding disbursements from trusts will be completed within 10 days of the guardian/client request.

In 2006/2007, 283 decisions were made. The service level was not met in 34 cases, or 12%. This was mainly due to situations where further information was required from the person making the request, written consent from minors 14 or over was required or a legal opinion pertaining to the request was necessary.

Target Not Met



FINANCIAL ADMINISTRATION

1. Objective

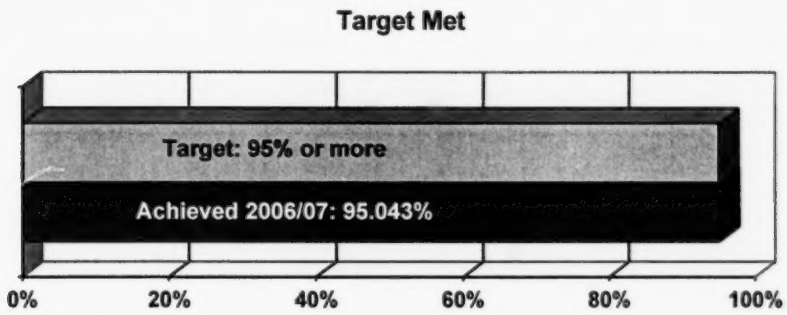
The PT will process authorized payments from clients, estates, and trusts accounts in an efficient manner.

Efficient turnaround of disbursement requests is important as it allows clients, estates and trusts obligations and maintenance to be met in a timely fashion.

Performance Target

That 95% of all requests will be met within a 5 day turnaround.

The PT processed 58,266 cheque requisitions during 2006/2007. Of these, 890 were prepared more than 5 days prior to the due date in order to facilitate payment of regular monthly PCH invoices. Although they were technically not disbursed within 5 days of the request, the request was intentionally made early to even out the workflow. Taking this into account, 55,378 cheques or 95.043% were processed within a 5 day turnaround.



2. Objective

That The PT will process cheques and cash receipts received for clients', estates' and trusts' accounts in an efficient manner.

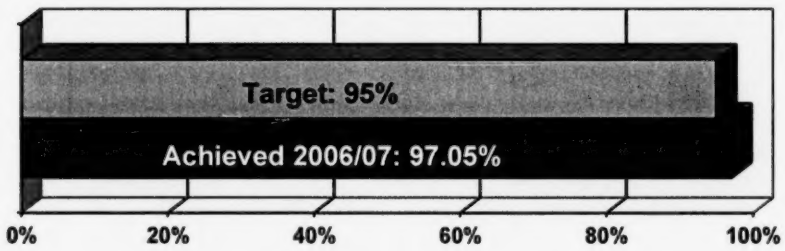
Efficient turnaround of receipts is critical to clients', estates', and trusts' best interests as posting affects the ability to meet financial expectations for the individual accounts and interest allocation.

Performance Target

That 95% of all receipts will be processed in a 2 day turnaround.

The PT processed 9,236 receipts during 2006/2007. Of those receipts, 8,936 or 97.05% were processed in a 2 day turnaround.

Target Met



INSPECTION SERVICES

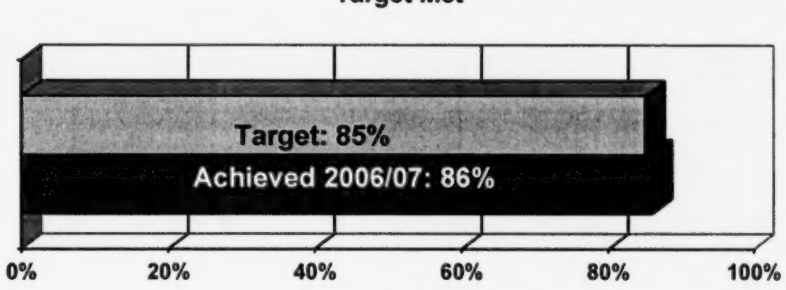
1. Objective

Clients and estates assets will be inventoried and secured in a timely fashion.

Performance Target

To complete 85% of Winnipeg search and inventories within 7 days of assignment.

During 2006/2007, 113 search and inventory procedures were completed. Of those, 97 or 86% were completed within 7 days.



The Public Trustee of Manitoba -
Section Activity for the year ending March 31, 2007

Trust and Estates Section

	March 31, 2006	Files Opened in Year	Files Closed in Year	March 31, 2007 End of Year
Assets under Administration * ($000's)	$ 69,236			$ 73,039
Deceased Estates caseload	387	89	89	387
Children's Trusts caseload	1,232	235	171	1,296

Client Administration Section

	March 31, 2006	Files Opened in Year	Files Closed in Year	March 31, 2007 End of Year
Assets under Administration * ($000's)	$ 108,024			$ 112,057
Number of Clients	3,417	378	464	3,331

Legal Section

	March 31, 2006	Files Opened in Year	Files Closed in Year	March 31, 2007 End of Year
Number of Files at beginning of year	361	443	393	411

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

The Public Trustee of Manitoba - Section
Activity for the year ending March 31, 2007

Financial Administration (Trust) Section

Magnitude ($000's)	2005/2006	2006/2007
Total Assets under Administration *	$ 177,260	$ 185,096
Receipts for year	$ 111,174	$ 149,330
Disbursements for year	$ 111,324	$ 149,035
Total Accounts/Files	5,397	5,425
Total Financial Transactions	326,202	322,533

*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2c and 2d in Notes to Financial Statements).

SOA
Summary of Financial Results
($000's)

	Actual 2005/06	Actual 2006/07	Budget 2006/07	% Variance
Total Revenue	**5,525**	**5,358**	**5,573**	**(3.86)%**
Salaries & Benefits	**3,826**	**4,019**	**3,920**	**(2.52)%**
Employee Pension Costs	**155**	**142**	**180**	**21.11%**
Accommodation Costs	**352**	**356**	**355**	**(0.3)%**
Other Administration Costs	**857**	**876**	**1,008**	**13.10%**
Amortization: Capital Assets	**32**	**35**	**31**	**(13.0)%**
Total Expenses	**5,222**	**5,428**	**5,494**	**1.2%**
NET INCOME (Loss)	**303**	**(70)**	**79**	

Variance Analysis (Actual to Budget)

Fees: A decrease in the number of client administration files created a negative variance in Total Revenue. The largest percentage of the SOA's revenue is generated by client administration files, therefore, a decrease in file numbers translates into less than expected revenues. See page 40 for client files statistics.

Salaries: Salaries and benefits increased by 2.52% over last year mainly due to the negotiated increases in employee contracts.

Operating Costs: The SOA was under budget in Computer expenses due to a decrease in service provider rates.

The Public Trustee of Manitoba
An Agency of the
Special Operating Agencies
Financing Authority
Province of Manitoba

Financial Statements
March 31, 2007

Public Trustee
of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 16, 2007. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Joanna K. Knowlton
Public Trustee

AUDITOR'S REPORT

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

BALANCE SHEET
(In Thousands)
AS AT MARCH 31, 2007

ASSETS

	2007	2006
Current		
Cash	$ 139	$ 41
Accounts receivable (Note 3)	856	799
Prepaid expenses	3	5
Short-term investments with Minister of Finance	1,360	1,590
	2,358	2,435
Receivable from Province of Manitoba (Note 4)	515	515
Capital Assets (Note 5)	144	132
	$ 3,017	$ 3,082

LIABILITIES

Current		
Accounts payable and accrued liabilities (Note 6)	$ 423	$ 412
Severance pay benefits (Note 15)	468	474
	891	886

EQUITY

Revenue stabilization reserve (Note 14)	500	500
Retained earnings	1,626	1,696
	2,126	2,196
	$ 3,017	$ 3,082

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF INCOME AND RETAINED EARNINGS
(In Thousands)
YEAR ENDED MARCH 31, 2007

	2007	2006
Revenue		
Fees (Note 8)	$ 5,186	$ 5,374
Interest	71	47
Other	101	104
	5,358	5,525
Expenses		
Amortization of capital assets	35	32
Accommodation costs (Note 10)	356	352
Other administration expenses (Note 9)	876	857
Salaries and benefits	4,019	3,826
Pension benefits (Note 16)	142	155
	5,428	5,222
Net Income (Loss)	(70)	303
Retained earnings, beginning of year	1,696	1,393
Retained earnings, end of year	$ 1,626	$ 1,696

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

STATEMENT OF CASH FLOWS
(In Thousands)
YEAR ENDED MARCH 31, 2007

	2007	2006
Cash derived from (applied to)		
Operating		
Net income (Loss)	$ (70)	$ 303
Items not involving cash		
Amortization of capital assets	35	32
	(35)	335
Change in		
Accounts receivable	(57)	(31)
Prepaid expenses	2	0
Accounts payable and accrued liabilities	11	(136)
	(79)	168
Investing		
Acquisition of capital assets	(47)	(34)
Financing		
Severance pay benefits	(6)	56
Net increase in cash and cash equivalents	(132)	190
Cash and cash equivalents		
Beginning of year	1,631	1,441
End of year	$ 1,499	$ 1,631
Cash and cash equivalents consist of:		
Cash	$ 139	$ 41
Short-term investments with Minister of Finance	1,360	1,590
	$ 1,499	$ 1,631

PUBLIC TRUSTEE OF MANITOBA
(An Agency Of The Special Operating Agencies Financing Authority - Province of Manitoba)

NOTES TO FINANCIAL STATEMENTS
(In Thousands)
MARCH 31, 2007

1. Nature of organization

The Public Trustee protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, The Public Trustee was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council.

The Public Trustee is financed through the Special Operating Agencies Financing Authority (SOAFA). SOAFA has the mandate to hold and acquire assets required for and resulting from Public Trustee operations. It finances The Public Trustee through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists The Public Trustee to sustain the provision of high quality service to her clients.

A Management Agreement between SOAFA and the Minister of Justice assigns responsibility to The Public Trustee to manage and account for Public Trustee related assets and operations on behalf of SOAFA.

The Public Trustee continues to be part of Manitoba Justice. The Public Trustee is a corporation sole with perpetual succession. As a corporate entity, The Public Trustee functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by her.

The Public Trustee remains bound by relevant legislation and regulations. The Public Trustee is also bound by administrative policy except where specific exemptions have been provided for in her charter in order to meet business objectives.

2. Significant accounting policies

a) Basis of reporting

The financial statements of the Agency are presented in accordance with Canadian generally accepted accounting principles.

b) Revenue recognition

i. Administration fees are charged to client accounts quarterly based on the anniversary date of the account in accordance with provisions of *The Public Trustee Act*. The fees revenue recognized in a year consists of all fees charged, accruals and adjustments made to accounts.

ii. Other fees are recognized as revenue when charged to an account and could be subject to adjustment on closing.

iii. Statutory fees are recognized as revenue when received.

c) Capital assets

Capital assets are recorded at cost and are amortized annually at the following rates and methods:

Furnishings and equipment	-	20%, declining balance
Computer equipment and software	-	20%, straight-line, 10% in year of acquisition, software purchases less than $1 are expensed in year of acquisition
Leasehold improvements	-	20%, straight-line

d) Use of estimates

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

e) Financial instruments

The Agency's financial instruments consist of cash, accounts receivable, investments, and accounts payable. It is management's opinion that the Agency is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

3. Accounts receivable

	2007	2006
Fees receivable	$ 827	$ 786
Allowance for doubtful accounts	(35)	(34)
	792	752
Interest receivable	8	6
Miscellaneous receivable	41	26
Advances to client accounts	9	9
Cost recoveries	6	6
	$ 856	$ 799

4. Receivable from Province of Manitoba

The receivable from the Province of Manitoba is for vacation entitlements earned by the employees of the Agency prior to creation of the Special Operating Agency in the amount of $219 and for severance entitlements earned by employees to March 31, 1998 in the amount of $296. This receivable, or portion thereof, for The Public Trustee, will be collected in the event there is a cash shortfall. However, this is only likely to happen on the dissolution of The Public Trustee.

5. Capital Assets

	2007		2006	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Furnishings & equipment	$ 293	$ 199	$ 290	$ 177
Computer equipment & software	109	79	90	71
Leasehold Improvements	25	5	0	0
	$ 427	$ 283	$ 380	$ 248
Cost less accumulated amortization		$ 144		$ 132

6. Accounts payable and accrued liabilities

	2007	2006
Operating expenses payable	$ 43	$ 50
Salaries and benefits payable	10	0
Vacation entitlements earned	338	330
GST payable to Canada Revenue Agency	32	32
	$ 423	$ 412

7. Working capital

The Agency has an authorized line of working capital of $1,000 through SOAFA, which was unused and available at March 31, 2007.

8. Fees revenue

	2007	2006
Administration	$ 4,458	$ 4,710
Legal	283	238
Income tax	273	264
Inspection	172	162
	$ 5,186	$ 5,374

9. Other Administration expenses

	2007	2006
Computer expenses	$ 462	$ 476
Courier charges	5	4
Insurance, loss, damage	33	20
Office supplies	55	44
Other	11	10
Personnel	27	21
Photocopy	10	12
Postage	51	53
Professional fees	40	35
Publications	4	5
Public communications	23	16
Records Centre Charges	16	18
Rentals, equipment	3	4
Repairs and maintenance	4	7
SAP costs	7	7
Support services - Department of Justice	21	21
Telephone	50	50
Travel	54	54
	$ 876	$ 857

10. Commitments

The Public Trustee has an arrangement with the Province of Manitoba, through the Department of Infrastructure and Transportation, for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. Accommodation costs are estimated to be $359 for the year ended 2007/2008.

11. Related party transactions

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

12. Escheats to the Crown

Escheats to the Crown, received by The Public Trustee during the year and remitted to the Minister of Finance, amounted to $41 (2006 - $72). These amounts are not reflected in these financial statements.

13. Estates and trusts under administration

The client assets under administration at March 31, 2007 total approximately $185,000 (2006 - $177,000). The trust activities of The Public Trustee are reported in separate Estates and Trusts under Administration financial statements.

14. Revenue stabilization reserve

The Public Trustee has allocated a reserve out of retained earnings to provide for short-term fluctuations in revenue due to changes in revenue patterns or extraordinary expenses.

15. Severance pay benefits

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2005. The report provides a formula to update the liability on an annual basis. The Public Trustee's actuarially determined net liability for accounting purposes as at March 31, 2007 was $468 (2006 - $474). Commencing in the 2006 fiscal year the actuarial loss of $113 is being amortized over the 15 year expected average remaining service life of the employee group.

16. Pension benefits

Employees of The Public Trustee are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act (CSSA), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including The Public Trustee, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, The Public Trustee transferred to the Province the pension liability for her employees. Commencing April 1, 2001, The Public Trustee was required to pay to the Province an amount equal to her employees' current pension contributions. The amount paid for 2007 was $142 (2006 - $155). Under this agreement, The Public Trustee has no further pension liability.

17. Public Sector Compensation Disclosure Act

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of individual compensation in an amount exceeding $50 annually to any officer or employee of the Agency. For the year ended March 31, 2007, the following employees received compensation in excess of $50:

Employee	Position	Amount
Bolton, M. Anne Q.C.	Senior Legal Officer	$ 120
Clark, Dwane	Estates Officer 3	53
Darrach, Bruce	Information Technologist 3	69
Fergusson, John	Legal Counsel 3	110
Hyman, Brian	Legal Counsel 1	56
Kihn, Shirley	Estates Officer 3	53
Knowlton, Joanna	Legal Counsel 3	111
Kozusko, Norman	Information Technologist 4	76
Matyi, Angele	Estates Officer 3	52
Mosley, James	Estates Officer 3	53
Regier, Barbara	Estates Officer 3	53
Sallans, David	Management Analyst 3	54
Samagalski, Michelle	Estates Officer 3	52
Schirmer, Maureen	Estates Officer 3	52
Shapiro, Laurie	Estates Officer 4	57
Sohor, Richard	Finance Officer 6	50
Taylor, Jana	Legal Counsel 1	61
Tessier, Rachelle	Estates Officer 4	58
Winning, Marla	Estates Officer 4	58

The Public Trustee of Manitoba
Estates and Trusts under Administration

Financial Statements
March 31, 2007

Public Trustee
of Manitoba

155 Carlton St, Suite 500
Winnipeg, MB R3C 5R9
CANADA

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. These accounting policies have been applied on a basis consistent with the prior year. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available up to July 16, 2007. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of The Public Trustee are properly safeguarded.

The responsibility of the Auditor General and his staff is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved its content and authorized its release.

Joanna K. Knowlton
Public Trustee

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Balance Sheet as at March 31, 2007

ASSETS	2007	2006
Cash on hand and in bank	$ 801,380	$ 505,842
Investments - Common Fund (Notes 2(a) and 3)	138,919,646	130,020,671
- Specific Estates and Trusts (Notes 2(b) and 4)	32,151,176	37,144,217
Accrued interest receivable on common fund investments (Note 2(a))	1,911,701	2,044,935
Other assets at nominal value (Note 2(c))	1	1
	$173,783,904	$169,715,666
LIABILITIES		
Other liabilities at nominal value (Note 2(d))	$ 1	$ 1
Public Trustee- Fees payable (Note 1)	45,746	36,721
- Expenditures payable (Note 5)	11,356	11,873
	57,103	48,595
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
The Mental Health Act	102,257,042	101,742,441
The Public Trustee Act	71,469,759	67,924,630
	$173,783,904	$169,715,666

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba
Estates and Trusts under Administration

Statement of Cash Receipts and Disbursements
for the year ended March 31, 2007

RECEIPTS	2007	2006
Funds held by estates and trusts brought under administration	$ 13,996,021	$ 14,256,515
Realization of equities in other estates	2,566,913	981,434
Pensions, compensation and assistance	27,053,055	27,486,753
Sickness, disability and other insurance benefits	6,198,823	7,422,691
Investment income	8,115,288	8,360,128
Sale of estate property	2,694,504	4,044,278
Collections on accounts receivable	1,537,171	1,430,252
Total receipts, before sale or redemption of securities	62,161,775	63,982,051
Sale and redemption of securities - Common Fund	78,700,000	41,998,000
Sale and redemption of securities - Specific Estates and Trusts	8,468,687	5,193,916
Total Receipts	149,330,462	111,173,967
DISBURSEMENTS		
Room, board and other maintenance expense	25,754,390	26,222,970
Preservation of estates	4,295,484	4,179,853
Other estate expense	1,836,711	2,068,876
Administration and passing of accounts (Note 1)	4,978,366	5,210,056
Estates and trusts released from administration	22,233,028	25,293,128
Total disbursements, before purchase of securities	59,097,979	62,974,883
Purchase of securities - Common Fund	88,547,074	44,176,845
Purchase of securities - Specific Estates and Trusts	1,389,871	4,172,603
Total Disbursements	149,034,924	111,324,331
Excess cash receipts (disbursements)	295,538	(150,364)
Cash position at start of year	505,842	656,206
Cash position at end of year	$ 801,380	$ 505,842

1. Role and Objective

The Public Trustee administers estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Trustee is considered to be an appointment of last resort. The Public Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 14 of *The Public Trustee Act*, the Public Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Trustee became a Special Operating Agency. The operations of the Public Trustee are reflected in a separate Special Operating Agency financial statement.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below in detail, to comply with the accounting requirements prescribed by Section 19 of *The Public Trustee Act*. The basis of accounting used in these financial statements differs materially from Canadian generally accepted accounting principles because they are prepared essentially on a cash basis to reflect only the custodial activities of the Public Trustee.

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the common fund, established pursuant to Section 11(1) of *The Public Trustee Act*, are restricted to securities and loans authorized under *The Trustee Act*. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value as at the date of death for estates of deceased persons or as at the date of assumption for all other estates. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of $1.

c) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate and other tangible assets are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these assets is not readily determinable. These assets are recorded on the client accounts at estimated market value for administrative purposes.

d) Other Liabilities

Other liabilities which include accounts payable, mortgages and notes payable are recorded for these financial statements at an aggregate nominal value of $1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.

3. Investments - Common Fund

	2007 Par Value	2007 Book Value	2006 Book Value
Term deposits & investment certificates	$ 25,000,000	$ 25,000,000	$ 28,600,000
Government of Canada bonds	18,300,000	18,422,660	30,916,559
Province of Manitoba bonds	21,500,000	22,039,362	4,509,072
Province of Quebec bonds	11,000,000	11,367,338	2,975,875
Province of Ontario bonds	14,300,000	14,844,609	16,533,496
Province of New Brunswick bonds	4,400,000	4,362,532	4,340,712
Province of Saskatchewan bonds	6,000,000	6,007,154	6,066,500
Province of British Columbia bonds	-0-	-0-	5,049,794
Canada Mortgage & Housing bonds	18,500,000	19,586,351	24,702,616
Canada Housing Trust bonds	17,300,000	17,289,640	6,326,047
	$ 136,300,000	$138,919,646	$130,020,671

4. Investments - Specific Estates and Trusts

	2007	2006
Term deposits, investment certificates and treasury bills	$ 21,322,748	$ 21,732,447
Government of Canada and other bonds	4,152,530	7,785,829
Shares of capital stock and mutual funds	6,675,898	7,625,941
	$ 32,151,176	$ 37,144,217

5. Expenditures Payable to the Public Trustee

Expenditures payable to the Public Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Trustee.